Preliminary findings from the shared integrated library system cost study

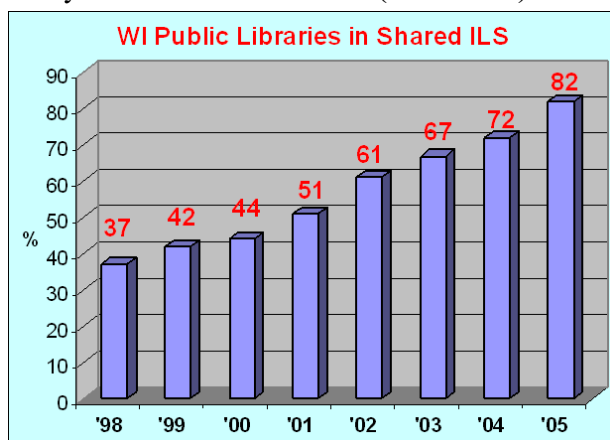**By Bob Bocher,** Library Technology Consultant
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Background

As reported in a previous *Channel* (Vol. 40, no. 6, July-August 2005), the Division for Libraries, Technology, and Community Learning used $45,000 in LSTA funds to sponsor a study on the costs of shared integrated library systems (ILS) in the state's public libraries. The information collected as a result of the study will help the division in planning for the future development of shared ILS. The ILS cost study sought to answer several key questions including:

- What are the actual costs of operating the shared ILS?
- Who pays for what costs?
- What are the different funding models used to support shared ILS?

Following a competitive bid process, the Division selected Networked Information Management Consultancy to conduct the study. Charles R. McClure and William E. Moen served as the consultants for the study.

Participation in shared integrated library systems by Wisconsin public libraries has steadily increased since the public libraries in the Milwaukee County Federated Library System implemented the first shared system in the late 1970s. By 2000, 44% of the state's public libraries were in shared systems. This number has increased over the past several years, and by July 2005 the percentage of public libraries in shared systems had increased to 82% (317 libraries).

 Much of the increase in shared system participation since 2000 can be attributed to the availability of heavily subsidized data lines through the state's TEACH program. Also, since 1997-98 the Division has awarded $3.26 million in LSTA funds for start-up costs for public libraries to join shared ILS.

Study Methodology

In late summer 2005, Division staff and staff from several library systems reviewed drafts of the cost study questionnaire prepared by the consultants. The questionnaire was sent to the directors of shared systems in mid-September. In early October another questionnaire was sent to 101 libraries which are members of shared systems. Sessions with several focus groups, representing staff from library systems and individual libraries, were held in conjunction with the WLA conference in La Crosse in late October. Throughout the study, the consultants also referred to background information and data provided by the Division.

Some of the key questions asked in the surveys included:
- Current usage and capacity of the shared ILS
- Information related to membership in the shared ILS
- Future scenarios for shared ILS in the state
- Funding the operation and maintenance of the shared ILS
- Charges for participation in the shared ILS and sources of revenue

Overall, the respondents to the two questionnaires demonstrated a good faith effort in completing the questionnaires, but reconciling the answers was sometimes a challenge. For example, not all shared ILS operations have uniform accounting and budgeting practices in place for categorizing and tracking costs. Another common issue that emerged concerned how to identify specific costs associated with operating the shared ILS compared to other costs that might be affected by the existence of the shared ILS (e.g., reciprocal borrowing and delivery charges). These challenges notwithstanding, the completed questionnaires resulted in a wealth of data.

Preliminary Findings

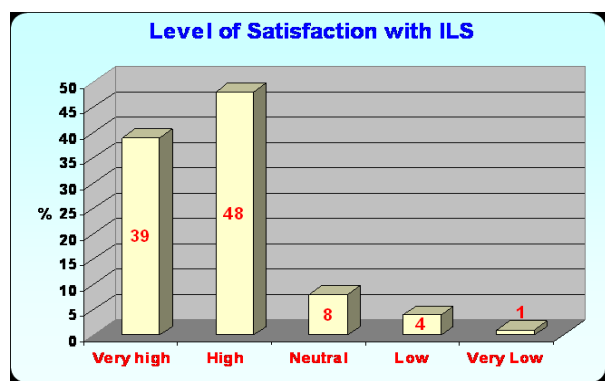Below are some of the preliminary findings.

- 82% (318 of 387) of the state's public libraries were in shared integrated library systems as of September 1, 2005. There are shared ILS in 16 of the state's 17 public library systems. All the shared ILS in the state use one of four vendors: Dynix (9 ILS), Innovative (3), Sirsi (3), GEAC (2). (Dynix and Sirsi have merged).

- In 7 of 17 ILS (41%), membership is restricted to public libraries. The other 10 (59%) indicate that they allow

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membership by other types of libraries too. Even in those shared ILS that allow membership by other types of libraries, however, very few have members other than public libraries.

- The following were noted by staff as advantages of participation in a shared ILS:
  - A large majority (87%) indicated high or very high levels of satisfaction with their shared ILS.

Level of Satisfaction with ILS

  - ILS membership offers access to higher quality software with greater functionality, and staff receive better technical support than if they did not participate. Staff also noted that planning and upgrades of the ILS were done by people more knowledgeable in this area than staff in the library.

- Member libraries had access to a larger and higher quality collection of materials than relying only on their local collections. This was especially beneficial to smaller libraries.

- The following were noted by staff as issues, although not necessarily disadvantages, of participation in a shared ILS:
  - There is a need for more ILS staff to provide technical support, and recruitment of trained staff in this area is difficult.
  - Once a library is committed to a shared ILS there is no "turning back."
  - There is some loss of control or flexibility in local library decision making.
  - Significant net lenders of materials are often not compensated for this imbalance.

- The total annual expenses for operating all the shared ILS statewide is $6,167,698. Of this, 74% is paid by fees charged to member libraries, 18% is paid by state aid to systems, and 8% comes from other sources.

The following were among the questions asked in the survey of libraries in shared integrated library systems. Respondents were asked to rank each question as follows: Strongly Agree = 1; Agree = 2; Neutral = 3; Disagree = 4; Strongly Disagree = 5.

Questions	Responses				
	1	2	3	4	5
In the time frame of the next 4-8 years, Wisconsin should make it a priority to implement a single statewide shared ILS for all public libraries.	12%	33%	26%	18%	11%
In the time frame of the next 2-4 years, Wisconsin should make it a priority to reduce the number of existing shared ILS by combining or merging systems.	15%	23%	33%	21%	8%
In the time frame of the next 2-4 years, Wisconsin should make it a priority to have a *single vendor* provide all shared ILS for public libraries.	12%	22%	30%	22%	13%

For More Information

More information on the Shared Integrated Library System Cost Study, including the full report, is available on the Web at dpi.wi.gov/pld/sharedilsstudy.html. You may also contact Bob Bocher(robert.bocher@dpi.wisconsin.gov, 608-266-2127) with any questions. ✿